

## **COB Smart Frequently Asked Questions**

### **Q1. What challenges are associated with the coordination of benefits process?**

A1. The coordination of benefits process determines primary and secondary coverage for individuals who are insured by more than one health plan. Confusion over insurance status can occur with members who have lost or changed jobs or have multiple sources of coverage. Research indicates that inefficiencies in the way coordination of benefits is typically performed today cost the industry more than \$800M annually and is widely recognized as an area for improvement. Reliably determining the appropriate coverage for individuals insured by more than one policy will improve efficiency by simplifying claims processes, saving doctors and hospitals time and money.

### **Q2. What is CAQH and how is it collaborating with health plans to streamline coordination of benefits and get it right the first time?**

A2. CAQH®, a nonprofit alliance of health plans and trade associations, serves as a catalyst for industry collaboration on initiatives that simplify healthcare administration for health plans and providers, resulting in a better care experience for members and caregivers.

CAQH has worked with participating health plans to design a solution that improves the accuracy of the coordination of benefits process creating greater efficiencies for providers. A number of the nation's major health plans are already participating in this initiative that will enable the healthcare system to get it right the first time by providing a secure resource that can more efficiently manage benefits for individuals with policies from more than one health plan, and new health plans will be joining as the initiative grows. This new CAQH Solution, COB Smart™, will help make sure claims are sent to the correct health plans, in the proper order so that the claims process can work more smoothly for everyone.

### **Q3. How does collaborating with CAQH make coverage work better for everyone?**

A3. By building and investing in technology that simplifies the claims process, we are committed to reducing administrative waste and simplifying healthcare administration. Doctors, hospitals and other healthcare providers can get needed insurance information without the administrative hassle—and focus resources on other critical aspects of patient care.

### **Q4. How does COB Smart work?**

A4. COB Smart is a registry of coverage information that will correctly identify which members have benefits that should be coordinated in order for corresponding claims to be processed correctly the first time. Each week, Anthem and other CAQH participating health plans and clearinghouses will supply coverage information to the registry, where it is compared with information from other participating health plans and clearinghouses to identify members with more than one form of coverage. Standard National Association of Insurance Commissioners (NAIC) primacy rules are then applied to determine the correct order of benefits. COB Smart then supplies other coverage information to health plans for their members. Health plans receive the other coverage information and load into their systems as appropriate. Providers and staff then have access to complete and accurate coordination of benefits

information in same manner and using the same tools they use today. This will help increase payment accuracy, timeliness, reduce paperwork and improve cash flow for all health care providers.

**Q5. How will this effort impact providers?**

A5. Anthem's participation in the COB Smart solution will help ensure information available to providers is complete and accurate. Providers do not have to do anything to participate however, they will have access to the coordination of benefits information obtained in this program by using the Availity tool, 270/271 eligibility transactions, or other means they use today to obtain other coverage information. This will help increase payment accuracy, reduce paperwork and improve cash flow.

**Q6. How will this effort benefit members?**

A6. Getting it right the first time will allow members to make sure that they are getting the full value of their benefits and that their claims will be coordinated correctly across health plans. This solution will reduce the need for and time spent on claims administration making it simpler and more accurate for members to navigate the healthcare system. Furthermore, this innovative solution will enable them to spend less time on completing lengthy COB questionnaires and patient registration forms.

**Q7. How will this effort benefit employer groups?**

A7. Getting it right the first time will allow employer groups to make sure that members are getting the full value of their benefits and that claims will be coordinated correctly across health plans. This solution will enable members of employer groups to spend less time completing lengthy COB questionnaires and patient registration forms when Anthem has other coverage information on file. This does not affect employer group rules for non-duplication, coordination to allowed or charged amounts. It is a process that allows Anthem to identify other coverage for members or family members that may have other coverage with health plans participating with the COB Smart solution.

**Q8. Will Anthem use the other coverage information in their systems?**

A8. Anthem will update the other coverage information when the COB Smart solution is able to determine primacy for a member's other coverage record received from the solution. If primacy is not determined, we will review records and coordinate with other health plan when needed before entering the other coverage information into the systems. This process ensures that complete and accurate coordination of benefits information is available as quickly as possible. This will help increase payment accuracy and reduce paperwork.

**Q9. How will questions regarding other coverage information be addressed?**

A9. Members, providers and employer groups can obtain information or ask questions regarding other coverage information as they do today. We will research other coverage information as needed with the health plan who provided the information and respond to the member, provider or employer group. We are committed to ensuring we have the most complete and accurate information to ensure coordinating member claims correctly.

**Q10. Is COB Smart secure?**

A10. Yes. COB Smart is housed in secured and redundant data centers with strong administrative, technical and physical safeguards. Data is encrypted using Secure Socket Layer protocol with 128-bit public key encryption technology. The solution meets HIPAA requirements.

**Q11. Is CMS participating in COB Smart?**

A11. CMS is not participating in COB Smart at this time. CAQH continues to raise awareness and encourage participation among all payers as full industry-wide participation will yield the greatest benefit for all stakeholders. We view CMS as an important partner, as the agency currently provides health coverage for close to 100 million people. CAQH continues to work with CMS to find ways to simplify the administrative burden and it is our hope that in the coming months as we get ready to launch the program more formally, CMS will have an important seat at the table with our other partners and we will be able to work with the agency on this and other efforts.

**Q12. How is COB Smart different than other coordination of benefits program offered by vendors to commercial insurers?**

A12. What sets COB Smart apart from other coordination of benefits programs offered is the unique collaboration and design by 12 of the nation's top health plans, aimed at simplifying administrative processes and addressing inefficiencies that span the entire healthcare system. CAQH programs have been recognized and supported by health plans, providers, government agencies and other key industry stakeholders, and COB Smart is designed for industry-wide participation. Additional health plan participation will amplify the impact of the initiative on streamlining the coordination of benefits process for all stakeholders. The breadth of the coverage of these 12 health plans and the adoption of the solution by future health plans are a reason that this tool will be effective and will successfully streamline the coordination of benefits process.